

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services proposes to amend Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

This amendment lowers Medicaid reimbursement for physician services when the services are provided in a health care facility setting instead of the physician’s office. This reduction is consistent with similar changes that have been made in the Medicare program. Legislation passed by the Eighty-Fourth General Assembly allows the Department to implement the Medicaid cost containment strategies recommended by Governor Branstad. This change is one of the recommended strategies.

The rationale for this change is that a physician’s expense in rendering a service in a facility setting is less than it would be in an office setting. When services are rendered in the physician’s office, the cost of the service reflects not just the physician’s time, but also the various support and auxiliary services involved in maintaining the office and providing services to patients. When services are provided in another facility, these expenses are borne by the facility and are reflected in the facility’s reimbursement.

The Iowa Medicaid Enterprise has identified nearly 1,800 procedure codes that have lower Medicare reimbursement when services are provided in a facility and has calculated the percentage differential in the two reimbursement amounts for each code. The Iowa Medicaid Enterprise will apply that percentage differential to the Iowa Medicaid physician fee schedule for the same procedure code to arrive at the reduced Medicaid payment for the service when the service is rendered in a facility setting.

This amendment was also Adopted and Filed Emergency and is published herein as **ARC 9719B**. The purpose of this Notice is to solicit comment on that submission, the subject matter of which is incorporated by reference.

Any interested person may make written comments on the proposed amendment on or before September 27, 2011. Comments should be directed to Mary Ellen Imlau, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515)281-4980 or by E-mail to policyanalysis@dhs.state.ia.us.

This amendment does not provide for waivers in specified situations because the savings assumed in the Department’s appropriations will not be achieved if waivers are provided. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 249A.4 and 2011 Iowa Acts, House File 649, section 10, subsection 20(a).